

JOHN BEL EDWARDS
GOVERNOR



THOMAS F. HARRIS
SECRETARY

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF THE SECRETARY

July 1, 2016

Senator John A. Alario, Jr.
President of the Senate
Louisiana Senate
900 North Third Street
Baton Rouge, Louisiana 70802

Ms. Kimberly Robinson
Secretary
Department of Revenue
617 North Third Street
Baton Rouge, Louisiana 70802

Representative Taylor Barras
Speaker of the House of Representatives
Louisiana House of Representatives
900 North Third Street
Baton Rouge, Louisiana 70802

Mr. Jay Dardenne
Commissioner of Administration
Division of Administration
1201 North Third Street
Baton Rouge, Louisiana 70802

Re: Report to the Louisiana Legislature, Commissioner of Administration, and the Task Force on Structural Changes in Budget and Tax Policy as requested in House Concurrent Resolution 25, 2016 Regular Session

Please find attached the above referenced report concerning the initiatives the Department of Natural Resources will take to ensure a more efficient operation for Fiscal year 2016-2017 and beyond.

If I may be of further assistance or if you have any additional questions, please do not hesitate to contact me.

Sincerely,

Thomas F. Harris
Secretary

**REPORT ON EFFICIENT OPERATIONS FOR
FISCAL YEAR 2016-2017 AND BEYOND**

**Prepared for:
The Commissioner of Administration
The Legislature
The Task force on Structural Changes in Budget and Tax Policy**

Pursuant to HCR25 of the 2016 Regular Session

July 1, 2016

The Louisiana Department of Natural Resources

PURPOSE

INTRODUCTION

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- 2. DEPARTMENTAL PROCESSES**
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- 4. PROCUREMENT**
- 5. USE OF TECHNOLOGY**
- 6. DUPLICATION OF SERVICES**
- 7. ELIMINATION/IMPROVEMENT OF INEFFECTIVE AND INEFFICIENT ACTIVITIES**

PURPOSE

House Concurrent Resolution No. 25 (HCR 25) authored by Representative John Schroder was adopted during the 2016 Regular Session of the Louisiana Legislature. HCR 25 requests that a report outlining the initiatives each department of the executive branch of state government will pursue to ensure a more efficient operation for Fiscal Year 2016-2017 and beyond. This report shall be submitted to the commissioner of administration, the legislature, and the Task Force on Structural Changes in Budget and Tax policy no later than July 1, 2016.

HCR 25 specified that the report shall include but is not limited to an examination of departmental structures, processes, civil service procedures, procurement, the use of technology, duplication of services, and the elimination or improvement of ineffective and inefficient activities.

INTRODUCTION

The following report outlines the internal processes of the Louisiana Department of Natural Resources and what measures the Department has taken to improve efficiency for Fiscal Year 2016-2017 and beyond.

1. DEPARTMENTAL STRUCTURES

- a. Office of the Secretary - Transition of back-office functions for Coastal Protection & Restoration Authority (CPRA) – In FY17, DNR will transfer staff and functions related to the fiscal support activities for CPRA. This will result in a restructuring of the remaining DNR staff which will allow for the reassessment of functions, reassignment of staff and overall analysis of the strengths and weaknesses of accounting and budget functions within Management and Finance. It is anticipated that there will be changes to increase the span of control and the need for additional training of staff to reallocate the resources in the most efficient and productive structure.
- b. Office of Mineral Resources – With the appointment of an Assistant Secretary in this office and the retirement of a division manager there is an opportunity to restructure the office possibly combining existing divisions to expand span of control and realize a leaner management structure for the office. This is in the initial review stages.
- c. Budgetary program structure was removed from all offices in the FY16 Budget to allow greater flexibility in staff assignment without the need to execute BA-7s to reassign staff within the agency. This structure has been maintained in the FY17 Budget allowing for improved responsiveness when priorities shift quickly.

2. DEPARTMENTAL PROCESSES

All departmental processes are under constant review and scrutiny for improvement. Due to budgetary constraints, processes which could be improved or streamlined with increased automation are currently on hold until additional resources are available.

3. CIVIL SERVICE PROCEDURES

The department is responsive to Civil Service changes when promulgated but does not project any efficiencies in this area.

4. PROCUREMENT

The department operates under the Division of Administration's direction for procurement services and does not project any efficiencies in this area.

5. USE OF TECHNOLOGY

- a. Office of Mineral Resources – An RFP was developed and is under review to undertake online bidding of Mineral Leases for the State-owned land and water bottoms. The online service is projected to streamline the bidding process for operators and staff.
- b. Due to budget constraints, other technology improvements/development have been placed on hold until funds become available for technology investment. We are currently in a maintenance only stance.

6. DUPLICATION OF SERVICES

- a. Office of Mineral Resources – Due to the slowdown in the oil and gas industry, production and exploration activity has also slowed down. Particularly, seismic permitting and testing has been significantly reduced. In a cooperative arrangement with the Department of Transportation, DNR has entered into an arrangement to share GIS staff with DOTD enabling them to utilize DNR resources to help with Right of Way mapping and provide financial relief to DNR maintaining staffing levels enabling a quick response when the oilfield activity returns.

7. ELIMINATION/IMPROVEMENT OF INEFFECTIVE AND INEFFICIENT ACTIVITIES

- a. The department has evaluated each office's activities and prioritized them into 40 identifiably separate functions. As budgetary restrictions occur, the list is constantly reevaluated and prioritized to provide an accurate assessment of necessary functions. At this time the department is operating with the minimum staffing to provide the statutory services required to meet the mission, vision, and goals as established in the strategic plan. To further reduce the activities would mean a reduction in service to the public and the State in numerous areas including revenue generation, regulatory responsibilities, permitting, etc.